

Training for employment: an analysis of the business sector context in Spain

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Abstract

Vocational training appears as the main active employment policy. Its importance is in the necessity of employers to count on an adequate human capital to deal with the new demands of the production field, capable to adapt to technological changes and increase the levels of competitiveness. Training has an important role when obtaining high levels of professional insertion and as an instrument which has a major influence on the professionalization and specialization of the workers. The training role in the labour world is well defined from a theoretical point of view, but it must not be forgotten one of the main actors on this process, such as the entrepreneurs. Thus, the main objective of this article lays in the analysis of vocational training within the Spanish companies.

Key words:

Vocational Training, Employment, Organizational culture, Human Capital, Spain.

Resumen

La formación profesional aparece como la principal política activa de empleo. Su importancia radica en la necesidad de que los empleadores cuenten con capital humano adecuado a las nuevas necesidades productivas, capaz de adaptarse a los cambios tecnológicos y de incrementar los niveles de competitividad. La formación juega un papel fundamental a la hora de conseguir niveles elevados de inserción profesional, y como instrumento que incide de forma notable en la profesionalización y especialización de los trabajadores. El papel de la formación en el mundo del trabajo está bien definido, desde un punto de vista teórico, pero no se debe obviar a uno de los principales actores en este proceso, como son los empresarios. Por ello, el principal objetivo de este artículo es el análisis de la formación continua en las empresas españolas.

Palabras clave:

Formación Profesional, Empleo, Cultura empresarial, Capital humano, España.

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Introduction

In recent decades, Vocational Training has experienced a significant evolution in terms of transcendental changes that have taken place in society and the labour world. The debate on the role of training in employment and productivity, takes different nuances before the revealing increase of unemployment that has affected the industrialized world since the 1973 energy crisis. The political, social and economic assumptions in the 1950s and 1960s, characterized by the full force of the Human Capital Theory¹, went into crisis when unemployment penetrated all levels of society, including those with the best training, and when the business world changed with the introduction of new information and communication technologies in the emerging context of economic globalization.

The development of specific activities of training is losing importance in order to move towards a system of lifelong learning. The constant changes in the labour world have a direct effect on the demand of new training profiles by employers. While companies are concerned about increasing their levels of productivity and production quality, with the clear aim of winning new markets and being able to compete in more internationalized contexts, employees have no choice other than to learn new skills in order to attain a job or consolidate the one they have.

The research conducted on the subject of training and employment, has been especially focused on the goal of professional training. The relationship between training and the transition processes into the labour world has been one of the main topics of study². Proof of this are the countless research papers that have been written, more frequently since the 1980s, on youth and employment, where the level of education and training in general has been a key independent variable to explain the work histories described and their situation in the labour market. The analysis of the level and type of training that the individual has in relation to the employers' demands, form the base of the main working hypothesis.

The second main aim of research has been focused on knowing the importance of training for the development of an economy increasingly tied to

¹*This theory is derived from the neoclassical theory and analyzes the role that education, skill acquisition and knowledge play in the economic development processes. Investment in education and training enhances the productivity and results in direct and opportunity benefits. The occupational status and incomes are determined by investment in education, therefore, the amount and type of education gives access to better jobs (Martinez, 2002).*

²*The transition concept has been defined in an ambivalent way, referring to the process of transition to active life and adulthood. Both processes are closely related, since the first one involves the transition from school to work and the second means acquiring adult status in our society, reflecting economic independence, new relationships different from the original family, family emancipation and the formation of a new family (Casal, 1997).*

knowledge, where lifelong learning is a major factor in the countries' economic development and business competitiveness. The need to adapt training to the labour world has been a constant object for the educational system and vocational training. In this case, the main areas of work highlighted the importance of human capital for business development. The hypothesis, more verified than rejected, is that the improvement of entrepreneurs and workers' skills brings economic development and better job opportunities, allowing the introduction of technological innovations in business and increasing the productivity. This makes the human capital one of the main attraction factors of the financial and technological resources.

It imposes a new management policy of the labour force, where versatility and qualification are the most important factors. The survival and modernization of the strategic sectors of the Spanish economy depend largely on the training of employees. Since 1975, we are witnessing in Spain profound changes in the productive structure. The role of human resources has been the key to this transformation which was focused on the modernization of the industrial infrastructure and the increase of the levels of business competitiveness before the challenge of the European Common Market (Homs, 1990).

Moreover, training has emerged as the main active employment policy³. The significant investments in training reflect the importance that society and institutions grant to it. Around this socioeconomic reality, vocational training for employment has experienced significant transformations in order to adapt to the changeable social and labour contexts. After 13 years of operation in the workplace of a model of occupational and continuing vocational training, a new model has been developed of Vocational Training for employment.

The new system arises from the need to adapt training to the new social and economic reality in Spain. Events and regulations as relevant as the entry of Spain in the European Union, the Organic Law 1/1990, of October 3rd, on the General Organization of the Education System (LOGSE⁴), the Organic Law 5/2002, of June 19th, on Qualifications and Vocational Training, the Law 56/2003, of December 16th, of Employment, the Organic Law 2/2006, of May 3rd, of Education, the agreements signed by the social partners in the framework of Social Dialogue and Collective Bargaining, and the Royal Decree 395/2007, of March 23rd, which regulates the subsystem of vocational training for employment, among other events, constitute the immediate background of the new system of vocational training for employment.

³For active employment policies is understood the set of programs, guidance of employment and training, aimed at improving the chances of the unemployed to access the labour market, either for themselves or for others, and the adaptation of training and retraining of workers for employment, as well as those other measures towards promoting entrepreneurship and social economy (Law 56/2003 of December 16th, Employment).

⁴All the acronyms in this paper related with Spanish laws or programs are in Spanish

Taking all these changes into account, this article examines the evolution of the occupational and continuing vocational training systems in Spain, moving to analyze the new system of vocational training for employment. A system that integrates both subsystems into a single training model, allowing a better adaptation of the European concept of permanent vocational training for both employed and unemployed.

It is true that the analysis of the socioeconomic and normative development of the vocational training model in Spain is crucial, and this is what the first part of the article is about, but it is also indispensable to understand and analyze the training activities taking place in the business sector. Therefore, one of the main objectives of this article is the analysis of the continuing training in companies in the Spanish regions that are considered Objective 1 by the European Union. These regions are characterized by a low level of socioeconomic development, reflected in a lower income per capita and significant deficits in economic infrastructure and basic social amenities. The stable and quality employment is one of the major challenges, it is essential in developing a solid business network where the business culture may take the leading role for its achievement (Monreal, 2004).

Research Approach

In order to study and analyze the vocational training in Spanish companies, a research project, funded by the Spanish Ministry of Education and Culture was presented. We have worked together in the project during three years (2000-2003); the 10 Spanish regions conceptualized as Objective 1 by the European Union: Andalusia, Asturias, Cantabria, Canary Islands, Castilla-León, Castilla-La Mancha, Extremadura, Galicia, Murcia and Valencia. As a methodological strategy applied, in addition to literature reviews and the use of official sources, a qualitative and quantitative methodology has been developed to allow us to understand and analyze more rigorously the level of training and development of organizational culture in these regional spaces. Specifically, 48 interviews were carried out, which were semi-directed to privileged witnesses of the sectors in charge of the training (trade unions, employers, administration and most important training centers) and, in order to describe and analyze in depth the training activity and the culture of Spanish companies in these regions, we proceeded to the completion of a set of 527 surveys made by sampling throughout these regions to companies that previously confirmed the practice of activities related to training.

Vocational training

The origins of this training model come from 1964, when the General Direction of Social Promotion enhanced the National Management of the Professional

Working Promotion Program (PPO) in order to manage the vocational training. With its evolution, and the necessity for further developing, in 1973 was created the Training Action Service (SAF), which includes the placement of workers, and three years later the Employment Service and Training Action along with the Worker Vocational Training Program (SEAF-PFO) were established. With the Basic Employment Act of 1980, the National Employment Institute (INEM) acquires the competence to establish an Annual Program of Occupational Vocational Training (FPO) to ensure adequate training of those who want to enter into the labour market or achieve higher specialization levels for employees. Since then, a trend of convergence between policies to promote employment and employability has followed. The Economic and Social Agreement (AES) of 1984 led to the approval of the National Plan for Training and Professional Insertion (FIP) in 1985⁵. Following several adjustments and improvements, in the year 1993 the FIP Plan was regulated. The new regulations resulted in the transfer of functions and services for the management of the FPO to the autonomous communities and the transfer of the management of Continuing Education to the Foundation for Lifelong Learning (FORCEM) (J.A. 1999).

Since the establishment of the European Economic Community (Treaty of Rome, 1957), Occupational Vocational Training has become especially important. The need for a community policy on vocational training is evident with the rise in unemployment, the incorporation of new technologies in production, with the consequent demand for new professional profiles and the establishment of free movement of workers, among other aspects that have driven the current system of training which is discussed below. The occupational training plans of the INEM meet the standards and programs of the European Social fund.

To carry out a communitarian policy that meets the new requirements, the European Union has created a series of tools that manage the Vocational Training, such as the European Commission, the Structural Funds and the Community Initiatives. The European Commission as the EU's executive body proposes and executes laws and manages the European funds and budgets. Among the twenty-three general directions that make up the Commission and other specialized services, it is located the Directorate for Education, Training and Youth and the Political Directorate for Employment, Labour and Social Affairs. The Commission is assisted by the European Centre for Development Training (CEDEFOP) in qualification matters and training systems. The European Social Fund (ESF) is an instrument of social policy and vocational training of the EU to improve employment opportunities and contribute to improving the living standards of citizens. It is designed to promote employment opportunities, the

⁵The National Plan of Vocational Training and Integration approved by RD 1618/1990, of December 14th, regulated by Royal Decree 631/1993, of May 3rd.

integration of unemployed persons with special difficulties, geographical and occupational mobility of workers, facilitating adaptation to industrial changes and systems of production and organization, especially through training and retraining (Ibid.).

In Spain, the ESF is subsidizing a percentage of the actions and its management is under the Ministry of Labour and Social Affairs. In the case of Andalusia, considered priority area, the ESF supports 75% of the total cost of the actions and the remaining 25% is funded by the regional government of Andalusia. With regard to community initiatives in vocational training, both the summoning as well as the budget and policy areas, are determined by the European Union. The EQUAL Community Initiative for the period 2000-2006, is financed by the ESF with the interest in promoting new instruments with transnational character to combat job insecurity, joblessness and inequality in the labour world, among other objectives (Ibid.).

Continuing vocational training

Since the beginning of the nineties, the training of employed workers has been regulated through National Continuing Education Agreement signed by the trade unions and the employers' representative and between them and the government. It is important to highlight the significant role of the social partners on setting up and designing vocational training. To this date, four agreements have been signed⁶.

With the signing of the National Agreement for Continuing Education I, in December 16th, 1992, the Spanish model of lifelong learning was established. The main objective is focused on continual improvement of skills and qualifications, social and personal promotion of workers and promoting employability. The need of having adequate financial resources to meet the demands of the labour market, competitiveness and quality of training, imply to complement this bipartisan agreement with the Tripartite Agreement on Continuing Training signed six days later.

In June 1996, within the framework of social dialogue launched by the government with business and labour organizations, a tripartite board over vocational training was formed. The need to advance and strengthen the

⁶ *In addition to the National Agreements, it must be stressed the R.D. 1046/2003 of August 1st, which regulates the subsystem of Continuing Vocational Training. The need to regulate this subsystem arises from the remarkable changes that occur after the signing of the National Agreements for Continuing Education III, which calls for revision. Proof of this are the Constitutional Court judgments (which outlines the policy areas in the State and the Autonomous Communities in terms of continuing training) and the enactment of the Organic Law on Qualifications and Vocational Training. Three years after the entry into force of this RD of 2003, was signed the National Agreement IV, which updates the model of continuing training.*

policy of lifelong learning in companies was agreed. In order to do that, the Administration, business sector and labour organizations are working hand in hand, and it demonstrates the interest of getting the training activities to groups not covered as intermittent permanent workers, self-employed in period of inactivity and certain groups of the agricultural sector. In December of that year the National Continuing Education Agreement II was signed. This agreement has shown a very positive balance, having participated one and an half million workers and, over a hundred thousand companies a year in the training activities carried out by it. The overall results show a clear impetus for continuing training, a greater participation of small entrepreneurs in these plans and the increased involvement in international fields in the framework of communitarian programs. The model of social participation and dialogue used in Spain has made that the lifelong learning is considered one of the major active employment policies and a key factor to change the business sector (CES, 2003).

With the completion of the National Continuing Education Agreements II, new agreements keep driving the role of social partners and a broader vision of vocational training, geared to the working population as a factor of integration and social cohesion and as an instrument that strengthens the competitiveness of companies, in line with the Recommendations of the European Union and the International Conventions of the ILO signed by Spain. In January 2001 the Tripartite Agreement on Continuing Training III and the National Agreement on Continuing Education III were signed. In both agreements, the role of business and labour organizations in the development of the system is reinforced, and so its articulation on the basis of the sector's collective negotiation or by industry. The most significant news which this third agreement presents, make reference to the need to strengthen the training demand and the offer of intersectorial plans in line with European guidelines. It also expands the type of training initiatives including social economy companies (Ibid.). One of the important news concerns the management model of continuing training; a new tripartite foundation is impelled, formed by trade unions, the employers' representative and the Administration, before the need to simplify and improve the processing and handling of training initiatives.

As part of this statement for social dialogue in July 2004, signed by employers, workers and the Administration under the theme "Competitiveness, stable employment and social cohesion", the National Training Agreement IV was developed, signed in February 2006 and valid until 2010. This agreement promotes the education on demand, its offer for the workers and financial resources. As part of its development, the social partners signed the Agreement for Vocational Training for Employment, in order to increase its efficiency by adapting it to the changing context (CES, 2005). A system of training for unemployed workers is proposed with permanent character, which is called "Vocational Training for Employment."

The current system of vocational training for employment

The entry of Spain into the single market of the European Union shows a whole range of deficiencies in the Vocational Training System. Among them, the need to facilitate the free movement of workers within the communitarian framework. Thus, to develop courses and qualifications that are comparable in the context of the European Union is necessary. In 1990 the Organic Law on the General Organization of the Education System (LOGSE), notes the need to transform vocational training to facilitate the integration of Spain into the European single market. The background of Vocational Training changes significantly with the approval of the National Vocational Training Programme (1993-1996). In December 1996 the Ministry of Education and Culture, and the Social Partners signed the "Base Agreement on Vocational Training Policies", which would be the prelude to a new National Vocational Training Programme (1998-2002).

Among the main objectives of the New Vocational Training Programme, is the creation of a single system that integrates the three subsystems of training: continuing, occupational and formal⁷; the professionalization for insertion through the business-school collaboration; the development of an integrated system of information and professional guidance, the quality, evaluation and monitoring of vocational training; the impulse of the European dimension and its offer to groups with specific needs.

With the approval of the Organic Law 5/2002, of June 19th, on Qualifications and Vocational Training the new model of training proposed by the LOGSE is promoted significantly. The purpose of this new reform is to create a comprehensive system of vocational training, qualifications and accreditation to respond to the social and economic demands through various training modalities. It is developed a new training model that promotes the *formation throughout life, integrating the various offers of training and instrumentalizing the recognition and accreditation of qualifications* at national level, to obtain training standards and professional accreditation at European level and so facilitate the free movement of workers within the European Union. For that purpose, in the Organic Law on Qualifications and Vocational Training,

⁷Continuing vocational training is imparted to the employed workers. It is run by social partners and the Administration through the new Tripartite Foundation. Training activities are conducted by companies, workers and / or their respective organizations. The main objective is to improve the skills and qualifications of workers and their retraining. This will improve levels of competitiveness of the companies as well as promoting social, personal and professional development of the workers. Occupational vocational training is aimed to unemployed workers. Its management depends on the INEM and the Departments of Education and Employment of the Autonomous Communities. It is regulated by Royal Decree 631/1993 of May 3rd, regulator of the Plan of Training and Professional Insertion (FIP). It includes training and guidance to unemployed workers to facilitate their job placement. Finally, formal vocational training is gained through the education system and it is the responsibility of the education authorities at state and regional levels (Otero and others, 2001).

a National Catalogue of Professional Qualifications and the procedure for accreditation of these qualifications are established. To manage the system, the State, the Autonomous Communities and the Social Partners are involved, as it is reflected in the composition of the General Council of Vocational Training whose service is the National Institute of Qualifications as a technical body.

The Agreement on Vocational Training for Employment of February 2006, highlights the need to integrate occupational and continuing training in clear association with the Law on Qualifications and Vocational Training. The goal of “full employment” (set in the Lisbon strategy), the lengthening of working life and the labour market reality, that demands lifelong learning, require the integration of the two subsystems of training. Thus, it represents an advance in a model of comprehensive training policies and prevents the employment status of a worker, employed or unemployed, from being a barrier to receive training activities. However, the integration of occupational and continuing vocational training does not imply a uniform training offer although it allows keeping their specificities depending on the context where it is applied.

The training for employment model proposed facilitates the participation of workers and unemployed. Therefore, the principle of free training is offered (also to those who do not quote for vocational training), as well as the equal access of workers and companies to training with the appropriate support to it, and the levels of investment are increased. Funding will be made through the General Budget Law (based on the share of Vocational Training), the contribution of the State and the European Social Fund. The new system responds to the Employment Strategy launched by the European Union and it is aware of the judgements of the Constitutional Court⁸, to place the regulation of continuing training in the field of labour legislation (exclusive jurisdiction of the State), and to define the cases in the management or implementation of training actions correspond to the state or the autonomous communities. The framework of national and regional competence development, in vocational training matters, progresses considerably with the Employment Law 56/2003, giving active policies to the Autonomous Communities.

This new training system gets a new boost in March with the approval of the Royal Decree 395/2007, which regulates the training subsystem for employment within the framework of the Organic Law of Education (LOE)⁹. After 13 years of existence of two different modalities for vocational training in the workplace, occupational training and continuing training are integrated in a single subsystem as a means to adapt the training for employed and unemployed workers to the new economic and social context.

⁸ *Constitutional Court Judgements 95/2002, of April 25th, and 190/2002 of October 17th.*

⁹ *Organic Law 2/2006, of May 3rd, of Education.*

Training activities in Spanish companies

This section portrays the main empirical results of the survey to employers and the results of the interviews which were made with privileged witnesses concerning the training activities developed in the business sector in Spain. In particular, it is analyzed the training activities that take place in companies and the assessments made by the entrepreneurs on the role of training to gain access to employment, as well as wages, type of training and the socio-economic developments in recent years.

Training and employment

One of the key objectives of training is to improve the transition processes to the labour world. The increased professionalism of employees, involves improvements in business productivity and the quality of working life. As Castillo (1987:81) states, is not difficult to find links between training and the labour market, what is most difficult is to demonstrate that there is no interrelationship between both variables.

The discussion on training and employment is motivated by a reality that responds to the crisis of political, social and economics assumptions from post-war times. The hypothesis that a greater formation corresponds to better employment opportunities, legitimate investment in education and the implementation of multiple training programs for both employees and the unemployed offers no doubts. The positive correlation between education and employability has been found in all studies regarding the labour market. Investment in training has a positive impact for the company as a whole and for the worker, to increase their chances of promotion and so stabilize the job¹⁰.

Clearly, the qualification of human resources in companies is directly related to the quality and quantity of continuing training received. When training activities have to be evaluated, one of the most general criteria is to determine to what extent the training corresponds to the demand in the labour context.

¹⁰ *The percentage of population between 25-64 years old, who has received training in Spain, is situated, in 2005, practically in the average of the European Union of the 25. In particular, a total of 228.650 workers, who represent a 10% of this population have been training, while the European Union average is 10.8% (Eurostat, 2007). With regard to access to employment levels that this trained population get, according to statistics from the Public Employment Service in 2006, rates of inclusion of all students trained in 2004, after a year, are situated in 70%. By gender, males have higher levels of integration than women, because the differences are found at six percentage points for men. With regard to the variables of age and educational level of students, they affect job placement rates, as access to employment levels decrease with age and increase with the level of training. There are also differences by occupational groups, the best results correspond to the industry (75%), followed by construction (74.3%), services (69.3%) and agriculture (63.9%). Therefore, higher levels of access to employment, of those who have received training, are getting young men with better levels of education in to the industrial sector (Occupational Observatory. Public Employment Service, 2006).*

The need to adapt training to the demands of the labour market is a priority objective for the active employment policies and at the same time, a challenge before the increasingly dynamic changes that labour markets are experiencing.

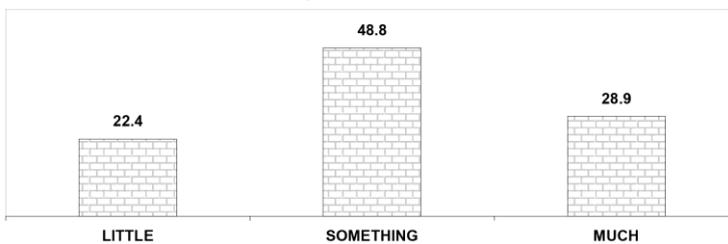
Many of the problems that exist in the labour market, including the high unemployment rate, occupational accidents and low productivity, among others, are related to the shortage of skills and the limited adaptation of education to new production needs.

In particular, unemployment is explained by several reasons, including the excessive gap between the training that the labour force has and the training needs required by employers. In most cases, they do not match the profiles and / or the type of training, generally characterized by being more theoretical than practical.

As shown in Graph 1, when employers are asked about their level of agreement with the positive correlation between training and employment rate, the vast majority (77.7%), consider that unemployment has “something” or “much” to do with the mismatch between training and jobs. Only 22.4% believe that it has “little” to do with it.

The statistical variables analyzed show significant differences in the degree of agreement that is shown by entrepreneurs, according to the sector where the company operates, the educational level of the director or manager and the variation of the resources that the company devotes to training.

GRAPH 1
The unemployment is explained because of the mismatch between training and labor demands (in %)



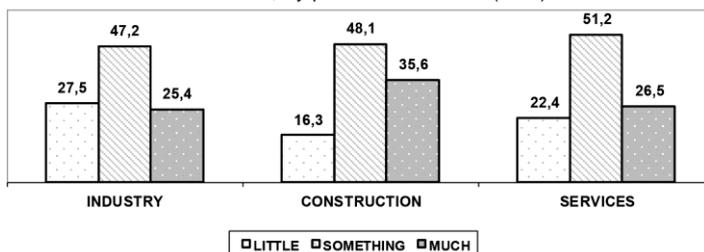
Source: Survey to employers. Own elaboration.

Depending on the *activity* sector where the company operates (Graph 2), construction and services sectors are those with the highest level of agreement. This fact is explained by the remarkable expansion that they have experienced in the last years, along with the urgent need for specialized professionals. The excessive external rotation of labour that characterizes them, also explains the

deficit of skilled staff, due to continuous entries and exits in the labour world hinder the training of these workers. Facing these sectors, in the industrial one they are more reticent about the hypothesis, because the secondary sector enjoys higher levels of job security and training for its staff. Thus, they relate unemployment in lesser extent to the inadequate training.

GRAPH 2

The unemployment is explained because of the mismatch between training and labor demands, by productive sectors (in %)

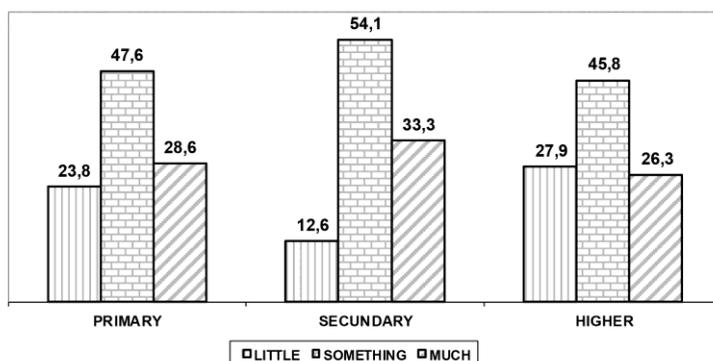


Source: Survey to employers. Own elaboration.

When comparisons are made on the basis of the *educational level of the manager or executive running the companies* (Graph 3), it is shown a higher degree of agreement with the statement in the lower educational levels in opposition to those who have university studies who show lower levels of agreement.

GRAPH 3

The unemployment is explained because of the mismatch between training and labor demands, by the educational level of the enterprise manager (in %)



Source: Survey to employers. Own elaboration.

Specifically, 87.4% and 76.2% of those with secondary and primary studies, respectively, believe that unemployment is due “something or much” to an inadequate training, compared to 72.1% of those with higher level. Although the differences are not significant, the lowest level of agreement that is shown by entrepreneurs with a higher educational level can be explained by the deficit in the creation of jobs for university graduates. The significant expansion of universities since the mid-eighties has unbalanced offer and demand for workers with higher educational level. The labour market has not been able to absorb all the skilled labor, creating situations of unemployment and underemployment that also affect university graduates.

It is pertinent to highlight that there is a negative correlation, and clearly defined, among the resources that the entrepreneurs devote to the development of training actions and the belief that unemployment is due to the poor match between the training provided and the one which is really needed in the labour market (Graph 4).

GRAPH 4

The unemployment is due to the mismatch between training and job, depending on the resources devoted to training (in %)



Source: Survey to employers. Own elaboration.

Those who have increased the resources devoted to training, further consider that the mismatch between training and jobs have influence on regional unemployment. By contrast, entrepreneurs that have reduced resources for training, judge that the mismatch between training and jobs have little effect on regional unemployment. Beliefs differ between entrepreneurs depending on which resources have been allocated to training in the past two years. The greater or lesser relevance that companies executives give to training, determines the resources allocated to it.

The *interviews that have been carried out* with privileged witnesses show the problems with the mismatch between offer and demand of training. The main pitfalls that have been highlighted correspond to the excessive

normative and bureaucratic rigidity, to modify the training offer depending on new demands and needs, which leads to an obsolescence of the training offered before the speed with which they are being sued by the productive sector, new occupations and job profiles. Another problem is related to the overlap of training, several institutions and several agencies offer the same training, while other areas remain unfulfilled. It is necessary to act to influence the training offer planning, studying needs and coordination between the different actors responsible of it (Monreal, 2004).

Interviews highlight the need of an Observatory in order to training is structured in a rational manner. The business network has to be assessed periodically; the demand of the businesses and training offers, to develop strategic plans tailored to the new job profiles that can anticipate the new needs. The planning of the training offer has to be improved, along with the institutional coordination and the analysis of training deficiencies (Ibid.).

Training and its effect on wages

The training of salaried employees in companies, in most cases, does not have a formal character. The experience of performing certain tasks, the exchange of information among workers and the sharing of work, constitute means of training that are not listed in writing and, however, represent the most important facet for the specialization of the worker.

The informal training often does not have instant recognition, in terms of wages and promotion within the company. However, formal training, which is recognized and certified by credentials and diplomas, provides a basis to legitimize wage increases and professional category. Therefore, it is interesting to analyze the impact of the training in one of the variables that generate greater interest conflicts, such as salary.

Concerning the degree of agreement shown by the employers with regard to the hypothesis that “the training effort made by the workers is adequately paid in the wages that they receive,” most (54.3%) believe that they agree with it “something”, 22.1% are in “little” agreement and a minority 23.6% agree “much”. In general, a substantial majority (77.9%) are “something” or “little” in agreement with the statement (Table 1).

TABLE 1
The training effort made by the workers is paid in wage (% in rows)

| | LITTLE | SOMETHING | MUCH |
|---------------------------------------|--------|-----------|-------|
| TOTAL | 22.1 | 54.3 | 23.6 |
| By educational level | | | |
| Primary | 4.8 | 52.4 | 42.9 |
| Secondary | 16.9 | 55.2 | 27.9 |
| Higher | 26.2 | 53.9 | 19.9 |
| By sources devoted to training | | | |
| Decline | 46.5 | 48.5 | 5 |
| Maintenance | 55.5 | 60.1 | 17.30 |
| Increase | 11.7 | 52.6 | 35.6 |

Source: Survey. Own elaboration.

No significant differences have been found based on the activity sector, the company size and the different regional areas where they are located. However, the educational level of the managers and the volume of resources devoted to training, are relevant in explaining the degree of agreement, as it can be seen on the Table 1¹¹.

Depending on the *educational level of the company managers*, a negative correlation between both variables is clearly seen, since a higher educational level corresponds to a lower degree of agreement. Therefore, those with primary and secondary education are the ones that further consider that the training of the workers is paid in wages, compared to those with higher education who believe it in a smaller proportion. However, the managers with higher studies still represent a substantial majority (73.8%) who confirm that the training of their employees is reflected in their wages.

Depending on the resources devoted to training, the entrepreneurs who have increased their volume are those who believe that greater effort in training is rewarded appropriately. By contrast, entrepreneurs who have reduced or only maintained the level of resources, show a clear rejection of the statement, since significant proportions (46.5% and 55.5%, respectively) show a low level of agreement with it.

¹¹By activity sectors where companies are located, the degree of agreement with the statement posed does not significantly vary. However, higher levels of agreement (something or much) are found by service sector entrepreneurs (80.5%) and construction (78.8%); at short distance followed by the industrial sector (75%), with the greatest reluctance in their level of accordance.

In general, it can be seen that most of the entrepreneurs feel that the training received by the employees is reflected in wages. It is clear that continuous training in the company involves a specialization of the worker and, therefore, labour improvements in terms of professional categories and wages. But this logic of correspondence is not always true, especially when training is informal.

Specific training versus general training

Among the major debates that have emerged on the type of training that should be taught in companies, the confrontation between specific training, to perform specific tasks, against a *more general training*, focused on developing skills that allow workers to have an internal rotation in the company and the possibility of opening new labour horizons, have questioned the continuing training model that has to be put into action. While the representatives of the workers have advocated the importance of general training, entrepreneurs have chosen the specific one that responds to the most immediate training needs.

The data from the survey that has been made to the employers corroborates it; when a predominance of specific training activities is shown in detriment of general training. Specifically, three out of four managers (73.4%) say that the training activities that their companies are developing have a specific character, independently of the sector where they operate and the size of the company.

This can be explained by the need to specialize the worker in his job, which affects productivity and greater job stability. In fact, 91.5% of entrepreneurs believe that training has been useful in applying knowledge and skills to the job. To that effect, when assessing the impact of training on productivity and performance of employees, entrepreneurs show a high level of agreement with regard to the improvements in training that brings a better work performance and higher productivity levels in the company. In particular, in a length scale ranging from 1 (minimum level of agreement) to 7 (highest level of agreement), the level of agreement, by this argument, is 5.1.

A similar trend is found in the opinions and assessments made by the privileged witnesses in the interviews made, believing that employees instrumentalize training as a mean to develop their own careers. Therefore, they demand a practical and training of quality that enables them to apply it at work¹². In particular, the representatives of the labour unions on training matters say:

¹² In another research done in Spain by the labour unions, it is highlighted the greatest interest of employers for specific training, before the transverse. While specific training is a direct application

... employees demand a type of training as much advantageous as possible for them, near their workplace, as practical as possible and with teaching quality. The courses have to be programmed in that way. Everything theoretical and out of my applicability and my job is to lose a few hours of my own time for nothing (Pedagogical Coordinator FOREM-CC.OO, Granada, 2001)

The choice of specific training is evident in a labour context which is monopolized by small and medium companies, in which productivity is the most important matter and where workers are seeking the consolidation of their jobs. It seems more accurate to consider that specific training for the jobs is the most relevant when achieving stability and work quality, compared to a more general training which is valued in lesser degree by the employers.

However, training should not target only the interests of the company, because in situations of crisis and major restructuring, employees are most vulnerable. Therefore, more general training increases the chances of finding work in other productive areas and facilitates the adaptation of work to the modernization processes of business (Forem, 2000:105).

Education and socioeconomic development

When analyzing employment and training, it is important to know of the different opinions and assessments from the employers themselves on the evolution of their businesses. Relevant variables such as productivity, absenteeism, commitment and motivation of employees, wages and promotion, are key indicators to the rising of employment and job security of workers.

In the survey to employers, it is seen a very positive assessment of the progress that their companies have experienced in recent years. In particular, a very prominent majority believes that productivity (98.5%), commitment of the employees with the company (96.2%), motivation of the workers (98.6%), average wage (95%) and internal promotion (91.6%) are "maintaining or even increasing".

Depending on the productive sectors where companies are located, all these variables evolve in a very positive overall. As it is shown in Table 2, the analysis of the evolution of companies, based on the opinions of entrepreneurs of different productive sectors, shows that productivity has improved more in the construction and services sectors, compared to the industrial one which has experienced the smallest increase. Absenteeism is lower in industry and

to the needs of the company, the transverse is more general and it opens up the possibilities of the workers in other productive fields and the possibility of changing of company. They also highlight the importance of continuous training in the skills of workers, improving their chances of promotion within the company and their job security. However, the investment in training not only benefits the employee but also the employer who considers it a resource for improving productivity levels (Forem, 2006:60).

services, being the construction sector the most affected by this problem. With regard to the commitment of employees in the companies, the industrial sector is the one where there has been less progress to do with the employees' involvement, as in the motivation, promotion and salary. By contrast, the sectors of construction and services have improved these results, being the construction sector the one showing the greater progress.

TABLE 2
Evolution (decline, maintenance or increase) of the different indicators on the companies, by productive sectors (% in rows)

| | Industrial Sector | | | Construction Sector | | | Services Sector | | |
|--------------|-------------------|-------|--------|---------------------|-------|--------|-----------------|-------|--------|
| | Lesser | Equal | Higher | Lesser | Equal | Higher | Lesser | Equal | Higher |
| Productivity | 3,1 | 56,2 | 40,7 | - | 58,1 | 41,9 | 1,2 | 59 | 39,8 |
| Absenteeism | 8,8 | 66,3 | 24,9 | 5 | 54,4 | 40,6 | 8,5 | 80,6 | 30,9 |
| Commitment | 5,7 | 67,7 | 26,6 | 3,8 | 48,1 | 48,1 | 1,8 | 61,4 | 36,7 |
| Motivation | 3,1 | 69,4 | 27,5 | 0,6 | 49,4 | 50 | - | 65,9 | 34,1 |
| Salary | 6,2 | 77,2 | 16,6 | 2,5 | 58,5 | 39 | 6 | 71,7 | 22,3 |
| Promotion | 10,9 | 72,5 | 16,6 | 7,5 | 62,5 | 30 | 6,6 | 68,3 | 25,1 |

Source: Survey. Own elaboration.

The evolution experienced by companies, analyzed by geographic areas (Table 3), presents also some positive trends. In general, more than eight out of ten companies have maintained or increased their productivity, employee commitment with the company, motivation toward work, wage and internal promotion. It is also relevant to highlight that absenteeism has been maintained or increased, although to less extent than the other variables. These patterns are confirmed for all the geographic areas studied, with no significant differences by region.

TABLE 3
Positive evolution (maintenance or increase) of different indicators in companies, by geographic areas (in %)

| | Higher GDP | Canary Islands | Galicia Asturias Cantabria | Castilla-León Castilla-La Mancha | Valencia Murcia | Andalusia Extremadura |
|--------------|------------|----------------|----------------------------|----------------------------------|-----------------|-----------------------|
| Productivity | 98,5 | 85,2 | 99,9 | 98,6 | 98,1 | 98,7 |
| Absenteeism | 87,6 | 79,6 | 85,8 | 89 | 92,3 | 96,7 |
| Commitment | 95 | 83,3 | 92,7 | 95,9 | 96,2 | 98,7 |
| Motivation | 98,6 | 87 | 99,9 | 98,6 | 98,1 | 99,4 |
| Salary | 96,5 | 83,4 | 96,2 | 94,4 | 97,4 | 94,8 |
| Promotion | 92,6 | 81,5 | 88,9 | 91,8 | 94,9 | 92,2 |

Source: Survey. Own elaboration.

This positive assessment on the evolution of the company does not experience significant variations in the size of the company or the educational level of the entrepreneur. However, there are significant differences if one looks at the amount of resources devoted to staff training. Companies that have increased training activities to a greater extent than those which have not done it, have experienced increases in productivity, motivation of workers, internal promotion, wages and employee commitment. Therefore, it is confirmed that the amount of resources that companies spend on training, is the variable that further explains the differences on the evolution of the different business results proposed.

The development of training activities in companies leads to a social and economic profitability. Important aspects in the management of the human resources, such as workers' adherence to the company and their motivation, and other economic business objectives, such as the increase of the productivity, are closely related to the implementation of training programs. However, as García Echevarría (1990) states, in Spanish companies, training as a cultural value is still weighing less than in other European countries¹³. To Monreal (2004), planning of training in Spanish companies, as other factors, involves the development of a culture oriented to the planning and evaluation of results. Approaching the organization of the company from a cultural perspective, involves the modification of values and motives that determine business behaviours and strategies. In this sense, Castillo (1990) considers that business and organizational strategies are those that guide and "announce" changes in companies. Therefore, planning in short and medium term, as strategic as organizational, must be carried out with the assessment of the needs of the company and human resources available to it. It is the way to optimize resources, organization and technology.

The *interviews with privileged witnesses* show a significant change in the attitude of entrepreneurs towards continuing training, especially in medium and large companies, since 45% of the employees of companies with more than 50 workers receive training actions, compared to 13% from smaller businesses. Responsible people for training in Andalusia consider that:

[...] the profile of the company that requires training includes medium and large businesses [...]. Large companies have already established it, or belong to broad chains, where everything is marked. By contrast, most problems arise on small businesses when they demand and while they carry out their training. Companies with five workers, such as small shops, in which removing one hour of work for training has the greatest cost, are an example of this. Also the workers flatly refuse in places where there are three people employed and, in order to one to go to the training course, the others must stay

¹³By activity sectors where companies are located, the degree of agreement with the statement posed does not significantly vary. However, higher levels of agreement (something or much) are found by service sector entrepreneurs (80.5%) and construction (78.8%); at short distance followed by the industrial sector (75%), with the greatest reluctance in their level of accordance.

at the work place until 10 pm (Provincial Coordinator of the Education Fund Foundation, Granada, 2001).

The effects of training are important in the sense that every society and every human group has human resources as a primary asset. As it is seen in history, on the one hand, there are areas with few natural resources and however they have a great technological, industrial and economic development. On the other hand, we have nations with large financial resources, but with low economic development. Nowadays, the training of human resources in general is fundamental (Head of the Employment Service of Andalusia, Seville, 2001).

Employers have become aware of the added value of training, before the continuing technological advances and the appearance of new products that they must apply to production in order to be competitive. However, it is necessary to encourage an organizational culture to strengthen the implementation of training in companies, since many entrepreneurs, especially the least skilled ones and those with smaller businesses, who often neglect the training.

Conclusions

When vocational training is analyzed in a business context, it is necessary to start from a term which has been a key to justify much of the measures that have been taken and that in many occasions is opposite to certain social judgements. I mean "competitiveness", a term referring to new technologies, necessity of change, adaptation and, of course, to human resources in the company.

The need to adapt to new production demands, results in the further need of a change within human resources. The main instrument to achieve this is training. Training as a catalyst of organizational transformation, has made it clear that it becomes a process for life in order to acquire a wide range of skills associated with the great capacity of change that the labour world presents (ILO, 2001: 75).

Employability has been defined by the OECD as the capacity from a professional employee to maintain his employment and his attractiveness in the labour market. With this definition in mind, a difference can be made between specific or internal training and general or external training. While internal training generally corresponds with continuing training and operates in order to fulfil the requirements of the job, the external training has a longer scope and its main objective is to maintain the professional competence to integrate the worker into the labour market (Ibid). Both of them are fundamental and cover different objectives. Specific training is the most demanded by entrepreneurs and employees, since it means getting formal training on the specialization of

the worker. In many occasions, a skilled worker becomes “essential” in the company, consolidating his professional status and job. It can be asserted that it is a mean to achieving stability and job promotion in the company. But it is not all advantages, since specific training limits the professional development to a particular labour area, diminishing the choices to access other companies or labour areas. Therefore, general training is also relevant, since allows different labour options and facilitates the mobility of employees.

The new economic situation, marked by globalization and constant changes in the market, requires, as Alonso (2007) states, a rationalization and continuing restructuration by companies. These new demands from the employers result in the need of new professional profiles. Therefore, the concept of employability is becoming weaker to traditional industry and more responsive to educational credentials. The new economic organization, in continuous transformation, is synonymous of technical innovation as an attempt to meet the demands of the market (Ibid.).

The training is seen as a necessary factor for economic development because it allows the adaptation to new technologies, increases employment, reduces accidents and increases personal promotion, wages, investment, competitiveness and productivity.

The evolution of active employment policies, has led to the launch of two major measures: those relating to encouragement and job management programs, which include measures to provide information and guidance for the unemployed and support for job search; and those relating to training actions, among which occupational training and continuing training are found (CES, 2005).

In recent years we have seen in Spain a considerable advance in the field of Vocational Training, with the arrangement of a comprehensive system of vocational training, qualifications and accreditation . The new system integrates the different training offers (formal, occupational and continuing Vocational Training) and instrumentalizes the recognition and accreditation of skills acquired through formal and informal learning processes and the work experience of the worker. Thereby, levels of training and accreditation are homologated towards the free movement of workers and professionals in the context of the European Union. For this purpose, a National Catalogue of Professional Qualifications and a procedure for accreditation of these qualifications are configured. Moreover, distant vocational training is promoted, providing access to groups of workers with limited time availability.

The different Professional Agreements for Employment, the Organic Law on Qualifications and Vocational Training, the Judgements of the

Constitutional Court, the Employment Law, the Organic Law of Education and other regulations that affect its funding, have made possible the evolution of Vocational Training toward a new model according to the labour and social reality. Within the European Union standards, lifelong learning is a fundamental pillar of the employment strategy and it is incorporated as structural indicator within the education and training objectives for the year 2010.

Investment on human capital, reflected in training, is one of the main objectives to increase productivity. Until 2004, Spain is placed very low within the EU-25 as regards to the percentage of population that has received permanent training. This gap has shrunk considerably in recent years, and by 2010 it is expected that 12.5% of the population, ranging between 24-65 years old, will have participated in training activities and, that way reach the average of the EU-25 (CES, 2005).

The structural and legislative improvements in the field of vocational training have been steady and parallel to the economic development in Spain. But it must not be forgotten the role of one of the main actors on the stage of training, such as the entrepreneurs. Largely, they are responsible for the implementation and development of vocational training for employment, and architects of their own organizational strategies. As Castillo (1995) states, the fact is that labour organization, be it one or another, will depend largely, on the socioeconomic context. The work made by the Administration in the field of training and sensitizing of entrepreneurs on this issue, can influence the development for innovative organizational strategies adapted to encourage new working conditions for the development and implementation of training activities in companies.

The results of the research, that took place in Spanish companies, have highlighted the importance of training when increasing productivity levels in the company, employee commitment, motivation of workers, wages and internal promotion. It is confirmed, that companies which devote more resources to training their employees, are the ones which have got the best results, both in financial and human resources management. On the other hand, as the Human Capital Theory postulates, the improving of skills brings economic development and better job opportunities, allowing the introduction of technological innovations in companies and the increase of productivity. The Human Capital Theory is verified based on the opinions and assessments made by the managers of the companies. For them, training has impact on business development and also on the economic development of the different geographical areas.

Therefore, it is essential to further encourage an organizational culture model where training takes a privileged place, especially on small businesses,

since they do not appreciate its importance. It is necessary to improve coordination and communication among the different stakeholders, along with the implementation of an “observatory” to manage training in a more rational way and improving the relationship between the training offer, the employers’ demand and the interests of workers.

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